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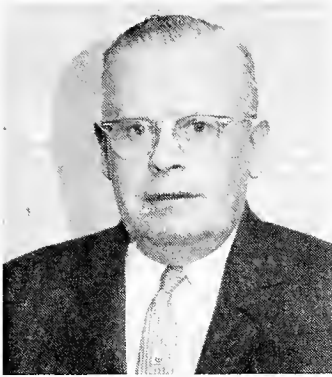


Annual Report

YEAR ENDED DECEMBER 31, 1959



BOARD OF TRUSTEES



WILLIAM V. WARD



ANTHONY D. POMPEO



JOHN J. GRAHAM

GENERAL OFFICERS

EDWARD DANA, *General Manager, Retired July 11, 1959*

WILLIS B. DOWNEY, *Acting General Manager*

WILLIS B. DOWNEY, *General Counsel*

CHARLES A. McCARRON, *General Attorney*

MICHAEL J. POWELL, *Treasurer-Comptroller*

HELEN J. BROCK, *Recording Secretary*

COVER PHOTOS

THE HIGHLAND BRANCH - MTA
PIONEERS NEW MASS TRANS-
PORTATION CONCEPT

(top) Rapid Transit Service over
abandoned Railroad line.

(bottom) Passengers park cars at
at Highland Branch Riverside
Terminal and take MTA to city.

13th Annual Report

(YEAR ENDED — DECEMBER 31, 1959)

of the

BOARD of TRUSTEES

of the

Metropolitan Transit Authority

BOSTON 16, MASSACHUSETTS



A Word From The Board Of Trustees

The major difficulty besetting the Metropolitan Transit Authority can be traced to the inexorable march of rising costs and declining patronage.

This unyielding pattern has continued unstemmed over the years despite the genius of an Edward Dana; despite the efforts of a team of experts associated with all facets of the operation for many years.

Indeed this pattern, inherited by the Metropolitan Transit Authority, began in 1931 with the old Boston "El" and has continued almost uninterrupted to the present day.

The single break in this pattern of rising costs and declining patronage came during the war years when unprecedented numbers of patrons, victims of rationing, descended on the system.

Nevertheless, the fact remains that one of the finest transit systems in the country continued on its financial, downhill path while the super-talents of one of the nation's top general managers in the field of mass transportation struggled unavailingly to stem the tide.

New Boards of Trustees came and went over the years and still the financial course of the road remained unchanged.

Dana's assistants, career men of unquestioned talents in mass transportation, sought out and practiced one economy after another.

Even as they worked they, along with Edward Dana, saw skyrocketing labor awards put in force and again costs rose still higher. Patronage continued dipping.

Genius and talent fell back in the face of the facts of life. The comfort of the automobile, the luxury of the taxi and the convenience of the car pool was proving an irresistible lure to MTA riders.

During the year 1959, Edward Dana's guiding hand dropped the managerial reins of the Metropolitan Transit Authority through retirement. During the year also, patronage on the system dropped to a low of two hundred and two million riders - approximately the same number of riders who used the system as far back as 1900.

Now that Edward Dana - who more than anyone else directed the operation of the Metropolitan Transit Authority - is gone, what is to become of mass transportation in the Metropolitan Boston area?

We believe the system is destined to grow, expand its boundaries and thrive. We believe that the Metropolitan Transit Authority **MUST** grow, expand and thrive if the community is to experience the same kind of growth, expansion and well-being.

We believe that the fate of Boston and all the cities and towns comprising the Metropolitan Transit Authority are **INSEPARABLY** intertwined.

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Dana Retires



On July 11, 1959, the Metropolitan Transit Authority lost, through retirement, the services of a man whose name, for more than a half century, was virtually synonymous with public transportation.

He is Edward Dana, 73-year-old career, transportation expert, who in no small measure shaped the destinies of the old Boston "El" and later the "MTA." In fact, Edward Dana was affectionately known for more than a decade as "Mr. MTA."

A young, energetic Edward Dana, fresh out of Harvard, donned a blue uniform in June, 1907, and took his place on the rear of a clanging, open trolley car.

The rest of the Dana story has been told and retold. He rose rapidly through the ranks and was virtually destined to take over the system's top managerial reins. This he did in 1919, when he became the chief executive officer. In 1937, he became President and General Manager. It was inevitable that Edward Dana should become General Manager when the Metropolitan Transit Authority was created by the Legislature in 1947.

A kindly, introspective man, Edward Dana never lost the energy and enthusiasm that marked his long career in mass transportation. He demonstrated a bounce and verve that was envied by others, many years his junior. His office door was always open. Edward Dana was ready to lend an ear and friendly counsel to any and all members of the MTA family.

Last summer, he stood on a platform at Riverside Terminal in Newton and watched a long-cherished dream become a reality. The new Highland Branch run over the abandoned Boston and Albany roadbed sprang into life, bringing mass transportation in truth to the suburbs. Shortly thereafter, Edward Dana called it a day.

Dana Statement

Edward Dana says:

"I shudder to think of what the future has in store for public transit in our great Boston Metropolitan area as time runs out on its proper solution.

"The citizenry of this Commonwealth has broken into fragments, unmindful that the Commonwealth itself presented a blueprint of what must be done, 15 years ago, if ultimate transportation chaos was to be avoided.

"The automobile, essential to the successful functioning of our economy, has proven that public transit essential to the salvation of a great core city can no longer be considered able to function only from the revenues from the fare box.

"A realistic, statesmanlike effort to apportion equitably the necessary subsidies must be forthcoming to lay the foundation for a substantial improvement in public transit that is sorely needed if we are to avoid the deterioration of values already created."

To His Excellency THE GOVERNOR,
To the GENERAL COURT, and to the TRUSTEES
of the BOSTON METROPOLITAN DISTRICT:

In accordance with the requirements of Chapter 544 of the Acts of 1947, as amended, the Trustees of the Metropolitan Transit Authority herewith file the thirteenth annual report of the Authority, which covers the results of operations for the calendar year 1959.

Summary Of Report

Total income of the Authority in 1959 was \$36,493,163.31. This is a decrease of \$666,487.94 from the total income in 1958, or a 1.79% decrease. Total cost of service in 1959 was \$55,120,503.96. This is an increase of \$2,034,272.22, or a 3.83% increase. A portion of this increased cost of service is attributable to the inauguration of the Highland Branch operations. Other profit and loss credits amounted to \$206,264.24. Under statutory formula, the resulting balance of \$18,421,076.41 which represents the excess of cost of service over income will be assessed on the fourteen cities and towns constituting the Metropolitan Transit Authority.

Operating Expenses

During the year 1959, operating expenses, which are the expenses incurred in the actual operation of the railway, were \$47,669,730.68, as compared with \$46,012,523.26 in 1958. This is an increase of \$1,657,207.42. The following table compares operating expenses in 1959 with those of 1958:

	<u>Year 1959</u>	<u>Year 1958</u>	<u>Increase</u>
Wages	\$35,004,281.47	\$33,299,222.78	\$1,705,058.69
Materials, Services and other items	4,429,106.93	4,542,830.78	113,723.85 Dec.
Injuries and Damages..	1,914,104.37	2,028,742.04	114,637.67 Dec.
Depreciation	1,200,000.00	1,200,000.00	—
Fuel	1,837,652.73	1,901,974.95	64,322.22 Dec.
Power Interchange (Net)	122,470.80 Cr.	49,117.55 Cr.	73,353.25 Dec.
MTA Retirement Fund	2,076,313.01	1,981,590.66	94,722.35
Health and Welfare Insurance	1,330,742.97	1,107,279.60	223,463.37
Total Operating Expenses	<u>\$47,669,730.68</u>	<u>\$46,012,523.26</u>	<u>\$1,657,207.42</u>

The preceding table indicates that the three categories of cost - Wages, Retirement Fund, and Health and Welfare Insurance - show increases - all of which resulted from awards made by virtue of arbitration proceedings in accordance with statutory and contract provisions.

All the other items in the table demonstrate a decrease. These items were more completely within the control of the Board of Trustees and Management.

Fixed Charges

Under the law of the Commonwealth, as presently constituted, certain so-called fixed charges must be included as a part of the cost of service. These are composed of taxes, interest on bonds, payments on funded debt and Cambridge subway rental. The following table compares these items for 1959 and 1958:

	YEAR ENDED DECEMBER 31	
	<u>1959</u>	<u>1958</u>
Taxes	\$1,011,425.86	\$ 864,063.87
Interest on Bonds	3,713,306.46	3,587,142.22
Payment on Funded Debt - B.M.D.	2,327,742.62	2,223,000.00
Cambridge Subway Rental	384,350.00	384,943.34
Miscellaneous Items	13,948.34	14,559.05
TOTAL	<u>\$7,450,773.28</u>	<u>\$7,073,708.48</u>

Revenue Passengers

The increased use of the automobile is again reflected in the declining passenger load carried by the Authority. Nineteen hundred and fifty-nine saw the Authority carry 202,101,095 revenue passengers as compared with 205,682,900 in 1958. This is a drop of 1.74%. The total revenue from transportation service in 1959 amounted to \$35,311,007.57, as compared with \$36,032,557.62 in 1958. This is a reduction of \$721,550.05 or 2.00%.



The Cars That Nobody Wanted

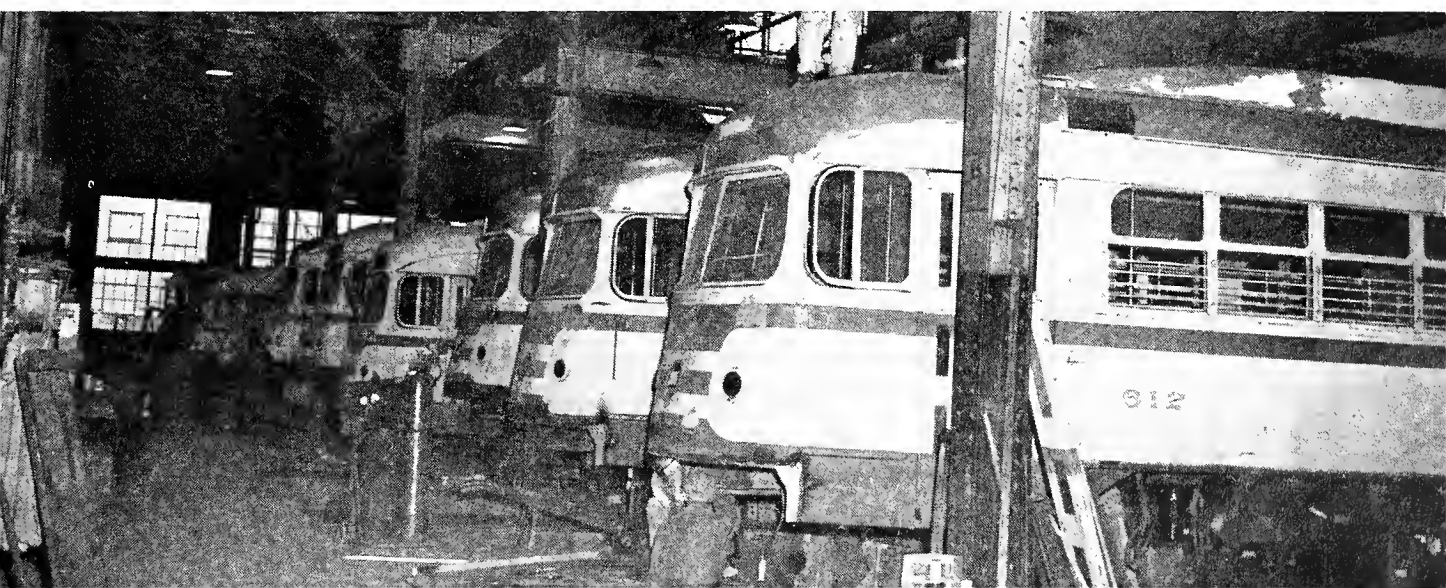
During the year 1959, the Metropolitan Transit Authority acquired 17 P.C.C. surface cars formerly in use by the Dallas Transit Company, Texas.

Uninformed MTA critics had a field day, as usual. The cars were described as "white elephants" which "nobody wanted." Photographs of the cars carried a "junk heap" flavor and it was generally conceded that the MTA had been hoodwinked.

Here is the factual Dallas story:

First, purchase of the cars was not a financial whim. There was no gamble involved. In 1958, the Authority purchased eight of these same type cars from the same company, rehabilitated them and placed them in service. These cars have been in operation since. In short, the MTA was aware of precisely what it was buying when the system contracted for the 17 controversial cars.

Each of the 17 cars cost the Authority \$3,500. After shipment to



Boston, extensive rehabilitation, refurbishing and reconversion to MTA specifications, the price tag for each vehicle was \$13,300. The total cost of the transaction amounted to \$226,100. The MTA placed five of these cars in operation during 1959. It is expected the remainder will be on rails and servicing the public in March of 1960.

Now here is the heart of the story behind "The Cars That Nobody Wanted."

Had the MTA placed an order for 17 new, so-called Dallas cars, each vehicle would have cost the Authority and the taxpayers approximately \$75,000. each - OR A GRAND TOTAL OF \$1,275,000. Simple arithmetic points graphically to the savings - \$1,049,000. - brought about by purchase of these cars.

Over and above the substantial financial savings involved, there are some additional facts of pertinence:

(1) The MTA, because of its unique operation, needed dual-control cars. These cars may be operated from either end.

(2) The only cars in the country available to the MTA with dual control were these very cars.

(3) They were available for purchase because the Dallas Transit Company had converted to bus operation.

(4) New cars were not in production. Had they been ordered, they would not have been available for some considerable time.

Some of these cars are now in service on the Tremont Street, Huntington Avenue, and Heath Street lines.

Thousands of MTA commuters now ride and have for some time been riding "The Cars That Nobody Wanted."

Changes In Service

On February 7, 1959, the Authority commenced operation over River Street, Hyde Park, between the Dedham Line and Cleary Square.

Because of major highway changes in connection with the construction of Interstate Highway No. 93, buses were substituted for trackless trolleys on the Salem Street, Medford - Sullivan Square route, via Winter Hill, on March 16, 1959.



Highland Branch

At the new Riverside Terminal in Newton, last June 30, Governor Foster Furcolo delivered a dedication address. This was no ordinary dedication. This was an unprecedented curtain-raiser and the eyes of the transportation world were focused on the event.

The Authority's first major extension of service since 1954 was opened to the riding public on July 4, 1959. Operating over a protected right of way, (the former Highland Branch of the Boston and Albany Railroad and a short subway connection to Kenmore Station) the direct high-speed trolley line between the Riverside section of Newton to Park Street Station in central Boston, is now known as the Highland Branch extension of the MTA.

The MTA is carrying approximately 26,000 commuters each day of the five-day work week over the Highland Branch Extension. To accommodate these riders, the MTA furnishes 134 round trips between Boston and Riverside, utilizing single, double and three-car units. Its predecessor, the Boston and Albany Railroad, carried a total of approximately 3,140 passengers daily over sixteen trips. A peak-hour passenger count on the Highland Branch showed that the MTA carried as many commuters during that 60-minute count as the Boston and Albany carried on the line over one full day of operation.

Public Carrier Versus The Private Carrier

The Metropolitan Transit Authority's primary function is to transport people in the interest of public service. No private bus carrier can fulfill this function, because with private carriers profit must take precedence over public service.

In 1918, the General Court recognized this difference and acted to insure the private carrier (Boston Elevated Railway Company) from loss under provisions of the Public Control Act. Public funds subsidized this private operation from 1918 to 1947. In August, 1947, the General Court created the Metropolitan Transit Authority which today operates in 14 cities and towns, embracing an area of 114 square miles. The MTA operates over more than 159 miles of rail, and utilizes roadbeds, subways, elevated structures and other facilities. Each foot of this rail and the facilities thereon are maintained and serviced by the MTA at considerable expense. In 1959, the cost, for this item alone, was in excess of five million dollars.

The private bus carrier meets no such obligation. It operates over roads maintained and serviced by public funds. In effect, the private carrier, in no small measure, is being subsidized.

To pinpoint a phase of this comparison: The MTA has a vast network of rapid transit and underground lines which spell out traffic relief.

The private bus carrier, because of the nature of his operation, must, through no choice of his own, add to what has been described as the nation's No. 1 municipal problem - automobile strangulation.

Highlighting still another phase of the comparison: The MTA represents the full gamut of modern, mass transportation. It is the street car; the rapid transit train; the bus; the trackless trolley.

The private bus carrier in relative terms is but an arm of the mass transportation body. It is only a surface operation.

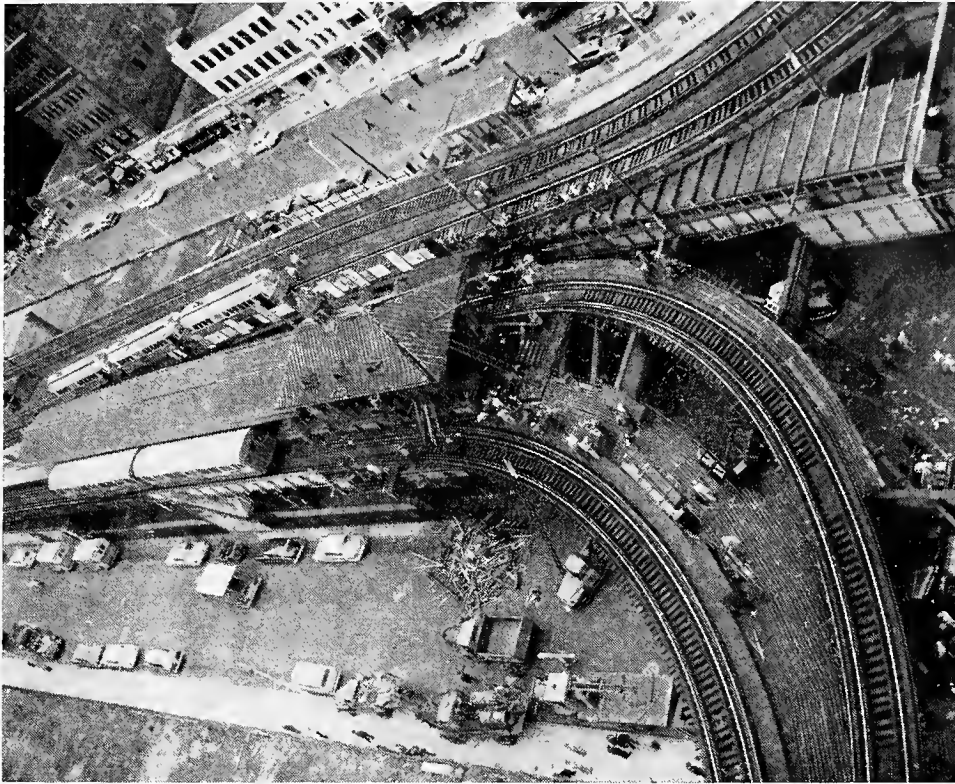
Still another comparison: The complex, coordinated and integrated MTA system requires the services of thousands of men and women who fall into approximately 375 different job classifications. The Authority deals, for example, with twenty-seven separate unions.

The private bus carrier - any private bus carrier in Massachusetts - cannot be compared with this kind of operation.

Again compare: The enormous investment in its plant and the multi-million dollar cost of maintaining the MTA transportation body in operation and at peak efficiency - all costs which do not enter into the operation of the private bus carrier; costs which are no part of the private bus carrier's limited business for profit. There is no sound comparison that can be made between the complete MTA transportation system and any private bus operation.

If the Metropolitan Transit Authority is to be treated as a public service - and it can't be treated as anything else - it should be considered in the same light as all other public services, such as our school system, fire department, police department, and the like.

One thought-provoking conclusion: Private public utilities, such as gas, electric and telephone, must offer public service to all. To compensate them, their tariffs reflect service charges assessed against the consumer whether he uses their services or not. In short, the public must pay a stand-by service charge. The MTA, equally vital to the community, merits the same consideration.



Explosion

Shortly after two o'clock June 11, the MTA was placed in an ear-shattering, explosive crucible.

It was the kind of test the Authority hoped never to meet. Yet it met head-on a tragedy of staggering dimensions and emerged in stature and prestige.

The overhead platform at the North Station blew apart, severing a vital link in the system's main line from Forest Hills to Everett.

At first, no one seemed to know what had happened. Rumors sped throughout the city. Someone said a bomb exploded. Another said the electrical system failed in a flaming blast. Others said a gas line ignited. Others turned loose their imagination.

The MTA knew one thing for sure. A tragedy had struck. People were hurt. It appeared that one or more might die. The MTA went to work. One of its lifelines was twisted out of operation, and hundreds of thousands of commuters immediately looked to the MTA for other means of transportation.

At the North Station site, the MTA reorganized schedules of its buses and street cars to provide service over a network of alternate routes to care for the many riders who must, explosion or no explosion, move now.

All the Trustees, Anthony D. Pompeo, Chairman, William V. Ward and John J. Graham, were at the scene to take personal charge of "Operation—Restoration."

Telephone lines from the explosion site to MTA headquarters were out, but an emergency method of communication was set up and the gigantic task of restoration got under way. Red tape was cut. Men and equipment were mobilized and sped to the scene.

Meanwhile, scores of citizens, members of the clergy, servicemen, police, firemen, Red Cross workers, ambulance workers, hospital personnel, state, county and city agencies, and others too numerous to list in this account, formed a small army of rescue workers.

The shocked and injured men and women trapped in the debris were carried on stretchers to nearby hospitals. Quick-thinking citizens performed first aid at the scene. An entire city seemed to respond in unison.

Eventually, the last of the injured was removed. Thousands of curious dispersed. The excitement ebbed. As dusk stretched across the North Station, the MTA was left alone - alone amid a Gargantuan transportation task.

Colonel Erme B. Myott, Chief Engineer of the Authority, and hundreds of MTA workers, many of whom were off duty at the time, arrived voluntarily at the scene, and began the night-long task of getting the North Station link back in operation. Meanwhile, over a local television channel, Edward Dana, his faith in his men unbounded, pulled a prediction out of the debris. He said that normal service would be resumed in the morning. Except for his men, few believed that a miracle could be wrought.

By 5:31 a. m., the following morning (fifteen hours after the explosion), and after safety tests had been made. the first train moved over the structure. Metropolitan Boston was back in business.

Apart from the personal loss and suffering involved, one indisputable fact emerged from the wreckage. The MTA accomplished one fine job.

Approximately thirty-eight persons, some of them MTA personnel, were injured in the blast, three critically. Only one person died. MTA Inspector John T. Brown, 41, was fatally injured while doing his job.

It was determined that the cause of the explosion was in no way connected with MTA operations.

Legislation

During the 1959 Legislative Session, the following Bills, all designed to aid the Metropolitan Transit Authority, and filed by the Trustees, were considered by the Legislature:

Senate 241 - Provided for the issuance of bonds for the purchase of rapid transit cars to replace overage equipment on the Cambridge-Dorchester line.

Senate 258 - (so-called Guard Bill) Giving the MTA authority to use one guard for every four rapid transit cars instead of one guard for every two cars.

Senate 259 - Increasing children's fares from the present five cents to not more than one-half the regular fare.

Senate 401 - Exempting the Authority from motor vehicles fuel taxes.

The legislation involving a bond issue for rapid transit cars, the Guard Bill and children's fares were referred to the next annual session.

The Bill which would exempt the Authority from fuel taxes was referred to the Special Commission on Taxation for investigation and study.

Also filed during the year was a report, together with a draft of necessary legislation, containing recommendation for construction of additional subway facilities and improvements at Mechanics, Copley, and Massachusetts Stations to meet the additional loads which would occur as a result of the construction of the Prudential Centre.

This report, House 2690, was referred by the Legislature to the Mass Transportation Commission for further study and report not later than the last Wednesday of December, 1960:

Equipment

The Authority owns and has in operating condition the following Revenue Equipment:

599 Buses
371 Trackless Trolleys
180 Main Line Rapid Transit Cars
135 Cambridge-Dorchester Cars
88 East Boston Tunnel Cars
344 P. C. C. Cars
<hr/> 1,717 Total

BUSES

The bus fleet is comprised of 222 gasoline-driven buses, and 377 diesel-driven buses. A replacement schedule has been recommended that would eventually eliminate all gasoline-driven buses, replacing same with diesel-operated buses. The first step in this program was approved in 1959 and an order was placed for 50 diesel buses for delivery in June 1960. These 50 buses, when delivered, will replace 57 overage gasoline buses. The buses to be delivered in June 1960 will be of the newest transit design. The buses were designed and built according to specifications written by a committee of bus designers sponsored by American Transit Association.

TRACKLESS TROLLEYS

The trackless trolley fleet is comprised of 371 units, and was reduced during the year 1959 by four vehicles which are out of service and stored at Everett Shops.

CAMBRIDGE-DORCHESTER EQUIPMENT

The Authority is operating overage equipment on this line. Twenty of the cars are forty-eight years old; twenty are forty-seven years old; thirty-five are forty years old and sixty are thirty-two years old. This is a total of 135 cars.

This equipment requires extensive and expensive maintenance in order to keep it in good operating condition.

A bill filed in December, 1959, by the trustees is pending before the Legislature which would authorize a bond issue for the purpose of acquiring new, modern equipment for use on this line.

P. C. C. CARS

See story "The Cars That Nobody Wanted."

Completed in 1959 was the conversion of nineteen single-end-operated P.C.C. cars to multiple-unit operation for use on the Highland Branch. All of the aforementioned work was performed at the Everett Shops.

Modernization

During the year 1959, there were several programs under the supervision of the Engineering Department which reflected operating improvements and emphasized savings.

Highlights of construction work undertaken in the year 1959 included:

Conversion of existing track to rapid transit operation on the Highland Branch, and construction of new facilities at Lotus Place Carhouse Yard and new bus storage and service facilities at Salem Street Yard, Medford.

Further, major repairs were made on the Chauncy Street escalator and a program of painting of stations and elevated structures and lighting improvements in stations was continued during the year.

Necessary additions and changes were made at the Bennett Street Carhouse and Yard to fit trackless trolley operation, and overhead construction in the West Roxbury, Charles River and Cleary Square areas was removed as diesel buses were substituted.

Extensive work was done to accommodate trackless trolley operation in Church Street, Trapelo Road and Watertown Square in connection with the abandonment of the Waverley car operation.

As a result of the consolidation of the Power and Engineering Departments, direct labor savings have resulted in the amount of \$35,709. annually. In addition, the purchase of equipment amounting to \$12,200. was cancelled immediately upon the consolidation of the two departments and during the past year the Harrison Avenue office building, formerly used by the Power Department, was rented at \$5,500. per year.

During the course of the year, the MTA, seeking to effect economies wherever economies could be initiated, ordered a study of its overage and costly power-producing facilities. This study was started by the Authority's Engineering Department and an outside firm of engineering consultants.

Parking Areas

The use of fringe parking areas near rapid transit stations as an inducement to motorists to "park and ride" is universally conceded by city planners and mass transportation officials as an effective and necessary method of attracting riders to utilize existing rapid transit services. The benefit to the Authority is obvious; there is an additional benefit to the core city of the metropolitan area by the reduction of autos entering the traffic-congested central city.

The Metropolitan Transit Authority has made increasing efforts over the past years to take all possible advantage of this concept. Its success is indicated by the following table:

Year	No. of Cars Using Lots	Rental Income
1955	515,346	\$ 62,433.95
1956	563,027	69,747.22
1957	654,498	81,818.79
1958	711,936	93,103.05
1959	826,965	121,837.57

Nine new parking areas opened on Highland Branch July 4, 1959, on the day the Branch opened, making available 2,549 parking spaces.

Effective September 12, 1959, parking fees increased from 25c to 35c.

Promotion

The year 1959 marked the advent of a stepped-up public relations and publicity program which saw the Highland Branch launched amid extensive press, radio and TV coverage. The line became a household word before the first car left Park Street over the now-famed scenic route.

Also, in 1959, the Public Relations Department prepared plans for the opening of an art exhibit at the Summer Street-Washington Street concession area, a public service that spelled an innovation in mass transportation promotion. There was no cost to the Authority.

In an effort to create new sources of revenue, plans were drawn for a new approach to the subject of timetables and transfers. These plans call for future timetables and transfers to be printed at no cost whatsoever to the Authority through the use of advertising.

Accelerated also was a program designed to bring the MTA story more vividly and with greater frequency to the public. Leading MTA officials took more often to radio and television. A newspaper series telling the MTA story was encouraged and came to pass.

Safety

The Metropolitan Transit Authority has always been conscious of its responsibility to provide the public with safe operation. As the Boston Elevated Railway Company, it was the recipient of six national awards for safe operation and, as the MTA, continuing efforts have been made to maintain and improve the Authority's safety record.

By means of a highly coordinated accident prevention program, the Authority has successfully reduced its accident rate as evidenced by the following table which compares the years 1956 and 1959:

ACCIDENT DATA — YEARS 1959 AND 1956

	<u>1959</u>	<u>1956</u>	<u>% of Decrease</u>
Total Miles	39,287,585	41,553,112	5.45
Total Accidents	7,946	10,159	21.78
Total Accidents per 100,000 Passengers	3.93	4.63	15.12
Total Accidents per 100,000 Total Miles	20.23	24.45	17.26
Collision Accidents	2,759	3,771	26.84
% of Collision Accidents to Total Accidents	34.72	37.12	6.47
Collision Accidents per 100,000 Total Miles	7.02	9.08	22.69
Collision Accidents per 100,000 Surface Miles	9.55	12.72	24.92

The above table shows that in the three years since 1956, total accidents have been reduced by 2,213, almost 22% in number and by more than 17% in rate per hundred thousand total miles and that collision accidents have been reduced by 1,012, or almost 27% in number and by almost 25% in rate per hundred thousand surface miles.

Financial Statements

The balance sheet of the Metropolitan Transit Authority at December 31, 1959, related statement of income and cost of the service, and detail of operating expenses for the year ended December 31, 1959, together with notes relating to these financial statements are appended to this report.

Respectfully submitted,

BOARD OF TRUSTEES
METROPOLITAN TRANSIT AUTHORITY

(Signed) Anthony D. Pompeo, Chairman

(Signed) William V. Ward

(Signed) John J. Graham

March 2, 1960

FINANCIAL STATEMENTS

METROPOLITAN TRANSIT AUTHORITY

BALANCE SHEET — DECEMBER 31, 1959

ASSETS

FIXED ASSETS (Note A):

Road and equipment	\$118,374,414.56
Miscellaneous physical property	156,223.23
	<u>118,530,637.79</u>
Less — Reserve for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned (Note B)	50,865,558.86
	<u>67,665,078.93</u>
Subways, tunnels and other facilities:	
Acquired from the City of Boston as of August 3, 1949 in accordance with Chapter 544 of the Acts of 1947 as amended by Chapter 572 of the Acts of 1949	40,119,230.56
Constructed by Metropolitan Transit Authority since August 2, 1949	<u>28,558,860.54</u>
	68,678,091.10
Less — Amortization of subways, tunnels and other facilities reimbursed to the Authority (Paragraph (1) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section (7) of Chapter 649 of the Acts of 1949 as amended), less retirements (Note C)	7,498,542.31
	<u>61,179,548.79</u>
Total fixed assets, less reserve and amortization	<u>128,844,627.72</u>

CURRENT ASSETS:

Cash in banks and on hand (incl. \$577,385.12 deposited for payrolls)	2,876,511.37
United States Treasury Bills	5,476,039.59
Special deposits	447,405.58
Commonwealth of Massachusetts—Amounts receivable under Chapter 544 of the Acts of 1947 as amended:	
Assessable deficit—per accompanying statement of income and the cost of the service	\$18,421,076.41
Less — Amount advanced by Commonwealth of Massachusetts in accordance with Section 13A of Chapter 544 of the Acts of 1947 inserted in said Chapter 544 by Chapter 409 of the Acts of 1954 (Note D)	<u>16,000,000.00</u>
	2,421,076.41
Miscellaneous accounts and rents receivable	632,554.40
Material and supplies, at cost less reserve	2,355,195.31
Other current assets	74,595.27
Total current assets	<u>14,283,377.93</u>

OTHER ASSETS:

Special deposits available only for:

Extension of rapid transit facilities in the City of Boston, the Town of Brookline and the City of Newton as provided for by Chapter 450 of the Acts of 1957 and to the extent of \$5,034.13 for studies and estimates of cost for alterations and extensions of rapid transit facilities in connection with Prudential Development as provided for by Chapter 212 of the Acts of 1958, all as provided under Chapter 649 of the Acts of 1949 as amended	380,474.25
Extension of rapid transit facilities as provided for by Chapter 692 of the Acts of 1945 as amended and to the extent of \$99,289.21 for establishing off-street parking facilities, all as provided for under Chapter 544 of the Acts of 1947 as amended	264,471.25
Extension of East Boston Rapid Transit facilities to Revere and to the extent of \$43,915.90 for studies, preliminary plans and estimates of cost for the extension of the Cambridge Subway, all as provided under Chapter 649 of the Acts of 1949 as amended and affected by Chapter 613 of the Acts of 1952.....	48,104.50
Purchase of revenue equipment as provided under Chapter 544 of the Acts of 1947 as amended	16,378.52
Mortgage note receivable	1,259.49
Total other assets	<u>710,688.01</u>

DEFERRED CHARGES AND UNADJUSTED DEBITS:

Prepaid expenses	63,460.00
Unadjusted debits	287,425.07
Total deferred charges and unadjusted debits	350,885.07
TOTAL ASSETS	<u>\$144,189,578.73</u>

(See accompanying notes to financial statements)

METROPOLITAN TRANSIT AUTHORITY

BALANCE SHEET — DECEMBER 31, 1959

LIABILITIES

FUNDED DEBT (all held by Boston Metropolitan District) — per accompanying statement (Note E):

Bond of Metropolitan Transit Authority, dated August 3, 1949 under Authority of Section 7A of Chapter 544 of the Acts of 1947 as amended (less \$1,000,000. included in current liabilities below)	\$ 59,918,371.89
Rapid transit bond of Metropolitan Transit Authority, dated August 3, 1949, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$536,259.27 included in current liabilities below)	34,320,593.46
Bond of Metropolitan Transit Authority, dated November 25, 1949 under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$102,000. included in current liabilities below)	6,528,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$60,000. included in current liabilities below)	3,960,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$13,333.33 included in current liabilities below)	866,666.67
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$11,000. included in current liabilities below)	726,000.00
Bond of Metropolitan Transit Authority, dated January 15, 1952, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$22,000. included in current liabilities below)	1,474,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1953, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$15,000. included in current liabilities below)	1,020,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1953, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$32,000. included in current liabilities below)	2,176,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1954, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$10,000. included in current liabilities below)	690,000.00
Bond of Metropolitan Transit Authority, dated July 1, 1958, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$55,000. included in current liabilities below)	4,015,000.00
Bond of Metropolitan Transit Authority, dated February 1, 1959, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$69,666.66 included in current liabilities below)	5,155,333.34
Serial bonds of Metropolitan Transit Authority issued under authority of Section 22 of Chapter 544 of the Acts of 1947 as amended (less \$1,389,000. included in current liabilities below)	16,688,000.00
	<u>137,537,965.36</u>

CURRENT LIABILITIES:

Funded debt installments payable within one year	3,315,259.26
Accounts and wages payable	1,522,602.04
Accrued interest and rents payable	719,718.43
Accrued Federal old age benefit tax	119,693.54
Unredeemed tickets and tokens	352,743.52
Employee withholdings and other liabilities	554,107.52
Total current liabilities	<u>6,584,124.31</u>

DEFERRED AND UNADJUSTED CREDITS:

Unamortized premium on funded debt	62,795.08
Unadjusted credits	<u>4,693.98</u>
Total deferred and unadjusted credits	<u>67,489.06</u>

Commitments:
(Note F)

TOTAL LIABILITIES \$144,189,578.73

(See accompanying notes to financial statements)

METROPOLITAN TRANSIT AUTHORITY

STATEMENT OF FUNDED DEBT — DECEMBER 31, 1959

(All held by the Boston Metropolitan District)

<u>Note</u>	<u>Issue Date</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Principal Amount</u>
1	Dec. 1, 1948	15 Years	Dec. 1, 1963	1.75%	\$ 580,000.00
2	Aug. 3, 1949	Fixed	Dec. 1, 2020	(see note)	60,918,371.89
3	Aug. 3, 1949	Fixed	Nov. 20, 2024	(see note)	34,856,852.73
4	Nov. 25, 1949	30 Years	Nov. 25, 1979	2.00%	6,630,000.00
5	Dec. 1, 1949	15 Years	Dec. 1, 1964	1.50%	133,000.00
6	Mar. 1, 1951	30 Years	Mar. 1, 1981	(see note)	880,000.00
7	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	4,020,000.00
8	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	737,000.00
9	Mar. 1, 1951	10 Years	Mar. 1, 1961	1.50%	214,000.00
10	Mar. 1, 1951	20 Years	Mar. 1, 1971	1.50%	1,005,000.00
11	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	2,797,000.00
12	Jan. 15, 1952	30 Years	Jan. 15, 1982	2.10%	1,496,000.00
13	Jan. 15, 1952	9 Years	Jan. 15, 1961	2.10%	132,000.00
14	Mar. 1, 1953	30 Years	Mar. 1, 1983	2.75%	1,035,000.00
15	Mar. 1, 1953	30 Years	Mar. 1, 1983	2.75%	2,208,000.00
16	Mar. 1, 1953	10 Years	Mar. 1, 1963	2.50%	224,000.00
17	Mar. 1, 1953	11 Years	Mar. 1, 1964	2.50%	75,000.00
18	Mar. 1, 1953	20 Years	Mar. 1, 1973	2.50%	903,000.00
19	Mar. 1, 1954	30 Years	Mar. 1, 1984	2.30%	700,000.00
20	Mar. 1, 1954	10 Years	Mar. 1, 1964	2.30%	50,000.00
21	Mar. 1, 1954	9 Years	Mar. 1, 1963	2.30%	68,000.00
22	Mar. 1, 1955	15 Years	Mar. 1, 1970	2.00%	169,000.00
23	Mar. 1, 1956	15 Years	Sept. 1, 1970	2.40%	1,430,000.00
24	Mar. 1, 1957	15 Years	Sept. 1, 1971	3.10%	1,668,000.00
25	Mar. 1, 1957	30 Years	Mar. 1, 1987	2.90%	3,570,000.00
26	Mar. 1, 1958	30 Years	Mar. 1, 1988	2.90%	3,799,000.00
27	July 1, 1958	30 Years	July 1, 1988	3.00%	4,070,000.00
28	July 1, 1958	15 Years	July 1, 1973	3.50%	1,260,000.00
29	Feb. 1, 1959	30 Years	Feb. 1, 1989	3.60%	5,225,000.00
TOTAL FUNDED DEBT—December 31, 1959					\$140,853,224.62
LESS—Payments due in 1960 in current liabilities					<u>3,315,259.26</u>
NET FUNDED DEBT—Payable after 1960					<u>\$137,537,965.36</u>

(See notes on following pages)

NOTES ON FUNDED DEBT

- 1 Equipment serial bonds. Original issue \$2,175,000. payable semi-annually \$72,000. on June 1 and \$73,000. on December 1. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 2 Refunding bond. Original issue \$71,418,371.89 payable \$500,000. each June 1 and December 1 and final installment of \$418,371.89 on December 1, 2020. (Issued under Section 7A, Chapter 544, Acts of 1947 as amended.)

The interest payable on this bond is the interest payable by the Boston Metropolitan District on their contra debt and refunding issues.

- 3 Rapid Transit bond. Original issue \$40,219,445.43 payable in 75 installments of \$536,259.27 on each November 20. This amount is paid by the State to the Authority each November 20 and a like amount is paid by the Authority to the Boston Metropolitan District on the same date in reduction of principal. (Issued under Section 8A (c), Chapter 544, Acts of 1947 as amended.)

The equivalent of interest on this bond is provided for by the Metropolitan Transit Authority Rapid Transit note, dated August 3, 1949, wherein the Authority promises to pay to the City of Boston on behalf of the District, and in its place and stead, the actual interest on City of Boston Transit debt, less income collected on the City's transit debt sinking funds.

- 4 Construction bond. Original issue \$7,650,000. payable \$102,000. annually on November 21 to and including November 21, 1978 and one payment of \$4,692,000. on November 25, 1979. The \$102,000. annual amount is paid by the State to the Authority each November 20 and a like amount is paid by the Authority to the Boston Metropolitan District on each November 21 in reduction of principal. (Issued under Section 8A (j), Chapter 544, Acts of 1947 as amended.)

The interest payable on this bond is the interest payable on Boston Metropolitan District bonds issued to purchase this bond.

- 5 Equipment serial bonds. Original issue \$403,000. payable semi-annually \$13,000. on June 1 and \$14,000. on December 1. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

- 6 Construction bond. Original issue \$1,000,000. dated April 15, 1950 paid March 1, 1951 and renewed for \$986,666.67. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.) 1/75th of the principal amount is payable annually (\$13,333.33 and 34 cents every third year) on March 1 by the Authority to the Boston Metropolitan District and a like amount is paid by the State to the Authority each Nov. 20.

The interest payable on this bond is the interest payable on Boston Metropolitan District bonds issued to purchase this bond.

- 7 Construction bond. Original issue \$4,500,000. payable \$60,000. annually on March 1 to and including March 1, 1980 and one payment of \$2,760,000. on March 1, 1981. The \$60,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1st and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A (j), Chapter 544, Acts of 1947 as amended.)

- 8 Construction bond. Original issue \$825,000. payable \$11,000. annually on March 1 to and including March 1, 1980 and one payment of \$506,000. on March 1, 1981. The \$11,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1st and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)

- 9 Equipment serial bonds. Original issue \$1,074,000. payable annually \$108,000. March 1, 1952 to 1955, inclusive, \$107,000. March 1, 1956 to 1961 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

NOTES ON FUNDED DEBT — Continued

- 10 Equipment serial bonds. Original issue \$1,673,000. payable annually, as follows:
\$83,000. March 1, 1952 to 1955 inclusive.
\$84,000. March 1, 1956 to 1962 inclusive.
\$83,000. March 1, 1963, March 1, 1966, March 1, 1969
\$84,000. March 1, 1964, 1965, 1967, 1968, 1970 and 1971
(Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 11 Equipment serial bonds. Original issue \$3,817,000. payable annually, as follows:
\$128,000. March 1, 1952 to 1955 inclusive.
\$127,000. March 1, 1956 to 1962 inclusive.
\$128,000. March 1, 1963, 1966, 1969
\$127,000. March 1, 1964, 1965, 1967, 1968.
\$127,000. March 1, 1970 to 1981 inclusive.
(Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 12 Construction bond. Original issue \$1,650,000. payable \$22,000, annually on January 15, to and including January 15, 1981 and one payment of \$1,012,000. on January 15, 1982. The \$22,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each January 15th and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A (j), Chapter 544, Acts of 1947 as amended.)
- 13 Equipment serial bonds. Original issue \$592,000. payable annually \$65,000. January 15, 1953 and 1954, and \$66,000. January 15, 1955 to 1961 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 14 Construction bond. Original issue \$1,125,000. payable \$15,000. annually on March 1 to and including March 1, 1982 and one payment of \$690,000. on March 1, 1983. The \$15,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A (j), Chapter 544, Acts of 1947 as amended.)
- 15 Construction bond. Original issue \$2,400,000. payable \$32,000. annually on March 1 to and including March 1, 1982 and one payment of \$1,472,000. on March 1, 1983. The \$32,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)
- 16 Equipment serial bonds. Original issue \$562,000. payable annually \$58,000. March 1, 1954, \$56,000. March 1, 1955 to 1963 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 17 Equipment serial bonds. Original issue \$166,000. payable annually \$16,000. March 1, 1954, \$15,000. March 1, 1955 to 1964 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 18 Equipment serial bonds. Original issue \$1,545,000. payable annually \$108,000. March 1, 1954 to 1958, \$102,000. March 1, 1959 to 1961, \$97,000. March 1, 1962 to 1964, \$46,000. March 1, 1965 to 1967, \$45,000. March 1, 1968 to 1973 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended. For capital additions or improvements to passenger-carrying rolling stock.)
- 19 Construction bond. Original issue \$750,000. payable \$10,000. annually on March 1 to and including March 1, 1984 and one payment of \$450,000. on March 1, 1984. The \$10,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)
- 20 Equipment serial bonds. Original issue \$98,000. payable annually \$8,000. March 1, 1955, \$10,000. March 1, 1956 to 1964 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)

NOTES ON FUNDED DEBT — Continued

- 21 Equipment serial bonds. Original issue \$156,000. payable annually \$20,000. March 1, 1955, \$17,000. March 1, 1956 to 1963 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 22 Equipment serial bonds. Original issue \$231,000. payable annually \$16,000. March 1, 1956-59-62-65-68-70; \$15,000. March 1, 1957-58-60-61-63-64-66-67-69. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 23 Equipment serial bonds. Original issue \$1,954,000. payable annually \$134,000. September 1, 1956, \$130,000. September 1, 1957 to 1970 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 24 Equipment serial bonds. Original issue \$2,082,000. payable annually \$136,000. September 1, 1957, \$139,000. September 1, 1958 to 1971 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 25 Equipment serial bonds. Original issue \$3,824,000. payable annually \$127,000. March 1, 1958-59-61-63-65-67-69-71-73-75-77-79-81-83-85-87: \$128,000. March 1, 1960-62-64-66-68-70-72-74-76-78-80-82-84-86. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 26 Equipment serial bonds. Original issue \$3,936,000. payable annually \$137,000. March 1, 1959, \$131,000. March 1, 1960 to 1988 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 27 Construction bond. Original issue \$4,125,000. payable \$55,000. annually on July 1 to and including July 1, 1988 and one payment of \$2,475,000. on July 1, 1988. The \$55,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each July 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6. Chapter 649, Acts of 1949 as amended.)
- 28 Equipment serial bonds. Original issue \$1,347,000. payable annually \$87,000. July 1, 1959, \$90,000. July 1, 1960 to 1973 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- 29 Construction bond. Original issue \$5,225,000. payable \$69,666.66 and 67 cents every second and third year on February 1 to and including February 1, 1989 and one payment of \$3,135,000. on February 1, 1989. The \$69,666.66 (and 67 cents every second and third year) annual principal payment is made by the Authority to the Boston Metropolitan District on each February 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)

- 1-5-9-10-11-13-16-17-18 -20-21-22-23-24-25-26-28 Equipment serial bonds
- 2 Authority vs. District refinancing August 3, 1949
- 3 Subway purchase August 3, 1949 (City of Boston)
- 4 East Boston Rapid Transit, Subway Alterations and Off-Street Parking Facilities
- 6 Tremont Subway Addition (Park St. to Scollay Square - preliminary plans) and Alterations
- 7-12 East Boston Rapid Transit
- 8 Washington Tunnel Extensions (preliminary plans) and Alterations
- 14 East Boston Rapid Transit, Off-Street Parking Facilities
- 15 E.B.R.T. Extension to Revere and Cambridge Subway Extension (preliminary plans)
- 19 E.B.R.T. Extension to Revere
- 27 Highland Branch Extension
- 29 Highland Branch Extension and Prudential Development (preliminary plans)

METROPOLITAN TRANSIT AUTHORITY

STATEMENT OF INCOME AND THE COST OF THE SERVICE

YEAR ENDED DECEMBER 31, 1959

INCOME:

Revenue from transportation	\$35,311,007.57	
Revenue from other operations	<u>1,010,620.92</u>	
Total operating revenue	36,321,628.49	
Non-operating income	<u>171,534.82</u>	
Total income		\$36,493,163.31

OPERATING EXPENSES:

Way and structures:		
Salaries and wages	\$4,372,236.28	
Other	<u>1,500,967.72</u>	5,873,204.00
Equipment:		
Salaries and wages	2,553,385.35	
Other	<u>1,680,652.34</u>	4,234,037.69
Power:		
Salaries and wages	1,247,381.41	
Other	<u>1,966,031.20</u>	3,213,412.61
Conducting transportation:		
Salaries and wages	24,313,543.75	
Other	<u>724,383.54</u>	25,037,927.29
Traffic:		
Other	<u>98,848.88</u>	98,848.88
General:		
Salaries and wages	2,517,734.68	
M. T. A. retirement fund	2,076,313.01	
Other	<u>4,618,252.52</u>	9,212,300.21
Total operating expenses (including allowance of \$1,200,000.00 for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned - Note B)		<u>47,669,730.68</u>
Loss before other deductions		11,176,567.37

OTHER DEDUCTIONS:

Taxes assignable to transportation operations	1,011,425.86	
Interest on funded debt (Note E)	3,713,306.46	
Payment on funded debt - B. M. D. (Note E)	2,327,742.62	
Cambridge subway rental	384,350.00	
Other deductions	<u>13,948.34</u>	
Total other deductions		<u>7,450,773.28</u>
Loss resulting from operations		18,627,340.65

PROFIT AND LOSS ITEMS:

Dividend on compensation insurance	150,000.00	
Adjustment of outstanding ticket, employees' button, badge and pass liability	55,000.00	
Gain from disposal of land	<u>1,264.24</u>	206,264.24
Loss for the Year (excess of the cost of the service over income)		<u>\$18,421,076.41</u>

(See accompanying notes to financial statements)

METROPOLITAN TRANSIT AUTHORITY

OPERATING EXPENSES

YEAR ENDED DECEMBER 31, 1959

WAY AND STRUCTURES:

Superintendence	\$ 622,803.90
Maintenance of roadway and track	1,679,966.15
Removal of snow and ice	127,775.33
Tunnels and subways	148,703.59
Elevated structures and foundations	216,624.75
Bridges, trestles and culverts	29,555.45
Crossings, fences and signs	36,019.35
Signals and interlockers	83,681.12
Communication systems	24,213.21
Miscellaneous way expenses	386,175.25
Maintenance of electric line equipment	589,550.20
Maintenance of buildings, fixtures and grounds	1,302,518.63
Depreciation of way and structures	600,000.00
Dismantling retired way and structures	25,617.07
	<hr/>
Total way and structures	5,873,204.00

EQUIPMENT:

Superintendence	242,933.29
Maintenance of revenue equipment	2,203,050.90
Maintenance of service equipment	32,307.89
Electric equipment of cars and trackless trolleys	538,360.54
Shop equipment	96,595.79
Shop expenses	814,292.45
Maintenance of automotive and misc. equipment	77,661.83
Depreciation of equipment	228,000.00
Dismantling retired equipment	835.00
	<hr/>
Total equipment	4,234,037.69

POWER:

Superintendence	187,785.13
Maintenance of power plants	367,238.34
Depreciation of power plants	372,000.00
Other power plant operating expenses	1,911,951.89
Gasoline and fuel oil for buses	374,437.25
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Total power	3,213,412.61

METROPOLITAN TRANSIT AUTHORITY

OPERATING EXPENSES — Continued

YEAR ENDED DECEMBER 31, 1959

CONDUCTING TRANSPORTATION:

Superintendence	\$ 3,843,189.54
Passenger car, trainmen and bus operators	13,380,677.78
Miscellaneous car and bus service employees	455,910.01
Miscellaneous car and bus service expenses	176,628.20
Station employees	2,607,406.96
Station expenses	702,786.44
Car house and bus garage employees	2,464,008.73
Car house and bus garage expenses	268,298.95
Operation of signal and interlocking apparatus	640,761.92
Operation of communication systems	27,134.36
Other transportation expenses	471,124.40

Total conducting transportation	<u>25,037,927.29</u>
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TRAFFIC (promotion and advertising)	<u>98,848.88</u>
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GENERAL (administrative and other general operating expenses):

Salaries and expenses of general officers	76,861.85
Salaries and expenses of general office clerks	1,321,732.89
General office supplies and expenses	263,946.79
Law expenses	95,899.36
Pensions, retirement fund, gratuities, group health and accident, life and hospitalization insurance	3,493,353.09
Miscellaneous general expenses	158,800.80
Injuries and damages and expenses relating thereto	2,372,168.82
Insurance	680,592.59
Stationery and printing	142,698.06
Store expenses	452,866.43
Service garage expenses and supplies	153,379.53

Total general	<u>9,212,300.21</u>
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TOTAL OPERATING EXPENSES	<u>\$47,669,730.68</u>
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METROPOLITAN TRANSIT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE A—Fixed Assets

The fixed assets acquired from Boston Elevated Railway Company on August 29, 1947 are carried on the books of the Authority at original cost to the Company as shown on its books as of that date. Additions subsequent to August 29, 1947, including the subways, tunnels and other facilities purchased from City of Boston August 3, 1949, are carried at cost to the Authority, the cost of subways, tunnels and facilities purchased from the City of Boston being measured by the amount of the bond issued therefor.

NOTE B—Reserve for Depreciation

In accordance with the provisions of Section 11 of Chapter 544 of the Acts of 1947 as amended by Section 4 of Chapter 572 of the Acts of 1949, no allowance for depreciation of passenger-carrying rolling stock of the Authority or for obsolescence and losses in respect to such rolling stock after August 2, 1949, is reflected in the accompanying financial statements of the Authority.

On the other hand, as provided by that section (Section 11 of Chapter 544), cost of the service, as reflected in the Statement of Income and the Cost of the Service, includes (1), all sums paid to the Boston Metropolitan District for the year ended December 31, 1959 in reduction or payment of the principal amount of bonds issued by the Authority under Section 7A and Section 22, as amended by Chapter 303, Acts of 1958, as well as (2) such allowance for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned as is contemplated by said Section 11.

The Reserve for Depreciation of Property, and for Obsolescence and Losses in respect to Property Sold, Destroyed or Abandoned, includes the aggregate of all debt retirement sums paid after August 2, 1949 under the provisions mentioned above, as well as allowance for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned, except with respect to passenger-carrying rolling stock after August 2, 1949. The balance (\$50,865,558.86) of this account at December 31, 1959 is substantially less than recent surveys have indicated may be required to cover normal depreciation and obsolescence that has accrued on the properties.

NOTE C—Amortization of Tunnels, Subways and Other Facilities

The credits arising from the reimbursement to the Authority by the Commonwealth of Massachusetts for the principal payments made on bonds issued under paragraphs (c) and (j) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section 6 of Chapter 649 of the Acts of 1949 as amended (discussed in Note E) are considered to provide for amortization of Tunnels, Subways and Other Facilities, and consequently no provision for depreciation thereof is included in the allowance made by the Trustees in the year 1959 for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned.

NOTE D—Advance Payment Account of Assessable Deficit

Section 13A of Chapter 544 of the Acts of 1947 which was inserted in said Chapter 544 by Chapter 409 of the Acts of 1954 provides that if during any calendar year the Trustees, in their opinion, have not sufficient cash to make the payments required in the course of their management and operation of the transportation system and other properties under their control, the Trustees may, from time to time during such year, certify to the State Treasurer an amount, which together with all amounts previously paid in such year to the Authority under this section, shall not exceed the amount by which the income of the Authority has failed to meet the cost of the service as estimated by the Trustees for that portion of such year which has expired up to the date of such certification; and that the Commonwealth shall thereupon pay over to the Authority the amount so certified; and that such payments shall be treated as payments on account of the deficiency as of the last day of said calendar year.

After certifications by the Trustees, the State Treasurer made three advance payments to the Authority during the year 1959; in May \$6,000,000., in October \$7,000,000. and in December \$3,000,000.

NOTE E—Funded Debt

Section 7 of Chapter 544 of the Acts of 1947 as amended, provided that bonds of the Authority and bonds of the Boston Elevated Railway Company assumed by the Authority

should be cancelled at their respective maturity dates, or prior thereto, to the extent that bonds of the Boston Metropolitan District issued to provide funds for the purchase thereof had been retired, or their retirement provided for, through interest payments made by the Company or by the Authority in excess of the amounts required to pay the interest on the District's bonds. At August 3, 1949, \$26,513,545.11 of such bonds of the District had been retired, or their retirement provided for.

Pursuant to refinancing provisions of Section 7A of Chapter 544 of the Acts of 1947 as amended, bonds of the Authority (other than bonds issued under Section 22 and Section 8A) and bonds of the Boston Elevated Railway Company assumed by the Authority, with an aggregate principal amount of \$97,931,917. were cancelled August 3, 1949 and a new bond for \$71,418,371.89 issued to the Boston Metropolitan District. The principal amount of this new bond was equal to the difference between the principal amount of the bonds cancelled and the \$26,513,545.11 referred to in the preceding paragraph. The new bond is payable in 142 installments of \$500,000. each on December 1 and June 1. The first installment was paid on December 1, 1949, and the final installment, \$418,371.89, is payable on December 1, 2020 (see notes to Statement of Funded Debt attached). Interest is payable on the new bond in amounts equal to the interest on bonds of the Boston Metropolitan District which may be outstanding from time to time.

Payments in reduction of the principal of the new bond of the Authority issued under said Section 7A (\$1,000,000.) and in payment of bonds of the Authority issued under Section 22 of said Chapter 544 (\$1,392,000. reduced by \$64,257.38 representing unexpended balance in special account of revenue equipment applied in accordance with provisions of Chapter 303 of the Acts of 1958) were included in the cost of the service for the year ended December 31, 1959 as provided in Section 11 of said Chapter 544.

On August 3, 1949, the Authority acquired the subways and other transit properties of the City of Boston under the provisions of Section 8A inserted in Chapter 544 of the Acts of 1947 by Chapter 572 of the Acts of 1949. Reference should be made to said Section 8A for the details of the transaction whereby the Authority on August 3, 1949 issued to the Boston Metropolitan District its bond for \$40,219,445.43 and its note (undertaking to make the payments required of the District on its note to the City) in exchange for District bonds payable to the City of Boston of a like principal amount and a note of the District by which the District undertook, among other things, to pay interest on the City's outstanding transit indebtedness to the extent that such interest exceeded the income of the City's sinking funds available to pay the same, which bonds and note of the District were delivered by the Authority to the City to effect the transfer to the Authority of title to the City's subway and transit properties.

In accordance with the provisions of paragraph (1) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section 7 of Chapter 649 of the Acts of 1949 as amended, the Commonwealth of Massachusetts is required to pay to the Authority on November 20 of each year after 1949 the amounts previously certified by the Trustees of the Authority as payable by the Authority during such year in reduction of the principal amount of its bonds issued under paragraphs (c) and (j) of Section 8A of said Chapter 544 and Section 6 of said Chapter 649 (for subways, tunnels and other facilities). The amount certified to the Treasurer by the Trustees of the Authority is assessed on the cities and towns constituting the Authority. On November 20, 1959, the Authority received from the Commonwealth of Massachusetts the amount of \$856,592.61 which had been certified by the Authority as payable during the year 1959.

In the Statement of Income and the Cost of the Service for the year ended December 31, 1959, the caption "Interest on Funded Debt" includes: (1) interest accrued during the year on the Authority's bonds issued under Sections 7A, 8A (j), and 22 of Chapter 544 and Section 6 of Chapter 649; and (2) payments actually made during the year to the City of Boston in accordance with the Authority's note to the District issued under Section 8A (c) of said Chapter 544, except that a portion of the amounts paid during the year 1959 under Section 6 of Chapter 649, of the Acts of 1949, as amended, has been considered as applicable to unfinished construction and charged to the fixed asset accounts.

NOTE F—Commitments

At December 31, 1959 the Authority had outstanding firm commitments, totalling approximately \$1,952,000. for other additions and improvements to the road and equipment properties; for the purchase of buses and spare equipment for buses; for the construction of off-street parking facilities and for the addition to and extension of rapid transit facilities.

Of this amount, approximately \$1,252,000. will be paid from special deposits established from bond issues made under Section 8A and Section 22 of Chapter 544 of the Acts of 1947 as amended, and Section 6 of Chapter 649 of the Acts of 1949 as amended.

